

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 EA-06 NEA-09 IO-10 ISO-00 OIC-02 AF-06

ARA-06 RSC-01 FEA-01 AGR-05 CEA-01 CIAE-00 COME-00

DODE-00 FRB-03 H-01 INR-07 INT-05 L-02 LAB-04 NSAE-00

NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-01 TAR-01

TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 /128 W

----- 038309

R 051450Z FEB 75

FM USMISSION GENEVA

TO SECSTATE WASHDC 456

INFO AMEMBASSY ATEHNS

AMEMBASSY BONN

AMEMBASSY BUDAPEST

AMEMBASSY CANBERRA

AMEMBASSY HELSINKI

AMEMBASSY PRAGUE

AMEMBASSY REYKJAVIK

AMEMBASSY SOFIA

AMEMBASSY TEL AVIV

USMISSION OECD PARIS

USMISSION EC BRUSSELS

AMEMBASSY TOKYO

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E.O. 11652: NA

TAGS: GATT, ETRD

SUBJECT: GATT COUNCIL FEBRUARY 3

REF: STATE 23185

FOLLOWING ARE ACTIONS BY GATT COUNCIL FEBRUARY 3:

1. EC-LEBANON REPORT. ADOPTED.

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2. ISRAEL TARIFF ADJUSTMENT. COUNCIL APPROVED, FIVING SPECIFIC REFERENCE TO DATE AND PER CENT OF DEVALUATION. TIME LIMITS ARE THOSE REPORTED IN GENEVA 299.

3. TRIPARTITE AGREEMENT REPORT. COUNCIL TOOK NOTE OF REPORT. (MISSION NOTES L/4132 APPEARS GIVE STATISTICS MENTIONED IN PARA 3 OF REFTEL.)

4. EC-AFRICAN AND MALAGASY STATES AND EC-EAST AFRICAN ASSOCIATION. COUNCIL TOOK NOTE.

5. EC-TURKEY WP REPORT. COUNCIL TOOK NOTE.

6. COSULTATIVE GROUP ON MEAT. GENEVA 670.

7. HUNGARY WP AND ROMANIA WP. COUNCIL ESTABLISHED WPS; TERMS OF REFERENCE ARE "TO CONDUCT ON BEHALF OF CP'S THE FIRST (RECOND) CONSULTATION WITH HUNGARY (ROMANIA) PROVIDED FOR THE PROTOCOL OF ACCESSION AND TO REPORT TO COUNCIL." CHAIRMAN ESTERBROOK-SMITH (NEW ZEALAND) FOR HUNGARY WP AND BIER (BRAZIL) FOR ROMANIA WP.

8. WP'S ON FINNISH AGREEMENTS WITH CZECHOSLOVAKIA, HUNGARY, BULGARIA. FINLAND SAID AIM OF AGREEMENTS WAS TO SOLVE IN REASONABLE WAYS PROBLEMS "ARISING TO US" FROM ECONOMIC INTEGRATION PROCESSES IN EAST AND WEST EUROPE AND TO DEVELOP ECONOMIC RELATIONS WITH

HUNGARY, BULGARIA, CZECHOSLOVAKIA. SAID THIS FINNISH INITIATIVE FULLY IN LINE WITH OWN ACTIVE AND POSITIVE APPROACH TO DEVELOPMENT OF TRADE RELATIONS BETWEEN COUNTRIES HAVING DIFFERENT ECONOMIC AND SOCIAL SYSTEMS. SAID AGREEMENTS BASED "ON NOTION OF RECIPROCITY OF ADVANTAGES AND CONCESSIONS AND ON OBLIGATIONS, PROVISION, AND SPIRIT" OF ARTICLE 24 OF GATT. EC WHILE NOTING EC ATTITUDE GENERALLY SYMPATHETIC TO FREE TRADE AREAS, (PHAN VAN PHI) SAID CONCEPT IN GATT WAS CONCVIED FOR MARKET ECONOMIES AND WITH TARIFFS PRINCIPALLY IN MIND; ART. 24 WAS DRAFTED IN THIS SPIRIT. SAID FINNISH LIMITED OFFICIAL USE

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AGREEMENTS INVOLVED STATE-TRADING COUNTRIES HAVING MONOPOLY ON TRADE AND ROLE OF TARIFF IS UNCERTAIN IN SUCH CASES. US (BRUNGART), RECALLED WE HAD URGED EARLY CIRCULATION OF AGREEMENTS AND SAID WE PLEASED THIS HAD BEEN DONE. US GAVE EXTENDED STATEMENT IN REFTEL RE CONCERNS WE HAVE HAD ABOUT PAST BILATERAL TRADE AGREEMENTS, NEED FOR CAREFUL EXAMINATION OF IMPLICATIONS OF TRADE BETWEEN MARKED AND

NON-MARKET ECONOMIES, AND EXPRESSING DOUBT WHETHER REQUIREMENTS ART. 24 CAN BE MET IN SUCH CASES. HUNGARY, CZECHOSLOVAKIA, BULGARIA SAID AGREEMENTS CONFORM TO LEGAL REQUIREMENTS GATT ARTICLE XXIV; BULAGRIA ADDED THEY HAV ALWAYS ADHERED TO GATT PRINCIPLES EVEN THOUGH THEY ONLY OBSERVERS IN GATT. COUNCIL ESTABLISHED 3 WP'S WITH STANDART TERMS OF REFERENCE FOR EXAMINING NEW AGREEMENTS AND APPROVED EASTERBROOK-SMITH AS CHAIRMAN. ACTION REQUIRED: QUESTIONS ON 3 AGREEMENTS ARE DUE BY 20 MARCH. REPLIES WILL BE DUE SIX WEEKS AFTER RECEIPT OF QUESTIONS.

9. PROGRAM OF BOP CONSULTATIONS FOR 1975. COUNCIL TOOK NOTE.

10. NEW SALARY SCALES. COUNCIL AGREED. BUDGET COMMITTEE CHAIRMAN CLARK TOOK OCCASION TO NOTE THAT CONTACT GROUP ON GATT STAFF COMPLAINTS ON SALARIES AND ALLOWANCES HAD FINISHED ITS WORK AND THAT BUDGET COMMITTEE WOULD REPORT TO NEXT COUNCIL SESSION.

11. ICELAND-FRG DISPUTE. IN SCENARIO WORKED OUT IN ADVANCE, ICELAND AND GERMANY EXCHANGED STRONG STATEMENTS. IN SUMMARY, ICELAND (AMB BENEDIKTSSON) (UNDER OTHER BUSINESS) SAID FRG LANDING BAN ON ICE LANDIC FRESH FISH VIOLATED PROVISIONS AND SPIRIT OF GATT, THAT FRG HAD REFUSED GATT ART. XXII: 1 CONSULTATIONS, AND RESERVED RIGHT RAISE MATTER AGAIN. FRG (AMB. HERBST) SAID MATTER WAS BEYOND JURISDICTION OF GATT AND RELATED TO DISPUTE OVER ICELAND'S CLAIM ON FISHING ZONE. CHAIRMAN(SAHLGREN) HOPED PARTIES INVOLVED WOULD FIND SOLUTION. NOTE: JUST BEFORE COUNCIL LIMITED OFFICIAL USE

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MEETING, GATT DEPUTY DG PATTERSON, AND ICELAND AND FEDREP AMBASSADORS EXPRESSED TO US STRONG HOPE THAT DEBATE AT THIS CUNCIL SESSION COULD BE LIMITED TO TWO COUNTRIES CONCERNED. ACCORDINGLY WE JUDGED IT BEST NOT TO MAKE ANY STATEMENT AS MEANS OF LIMITING DEVELOPMENT OF ISSUE IN GATT FORUM; OTHERS REMAINED SILENT TOO.

12. AUSTRALIAN QR'S ON VEHICLES. JAPAN (UNDER OTHER BUSINESS) REGRETTED AUSTRALIAN ACTION ESPECIALLY ON EVE OF MTN'S, SAID IT MAY HAVE NEGATIVE IMPACT ON MTN ATMOSPHERE, AND SAID ACTION PARTICULARLY DAMAGING TO JAPAN'S TRADE. EC CAIS AUSTRALIA ACTION UNFORTUNATE AND RESERVED ALL GATT RIGHTS. US MADE STATEMENT ALONG LINES STATE 23347 (INDICATING THAT OUR CONCERN APPLIES TO AUSTRALIAN TARIFF QUOTAS ON TEXTILES AS WELL), NOTING

WE HAVE HEARD REPORTS THAT OTHER COUNTRIES ARE CONSIDERING TRADE RESTRICTIONS TOO, CITING DANGERS OF SPREADING BEGGAR-THY-NEIGHBOR ACTIONS, AND NOTING SUCH NEW RESTRICTIONS ARE BAD FOR MTN'S WHICH SUPPOSED TO WORK FOR LIBERALIZATION. CANADA SUPPORTED. AUSTRALIA SAID "IT CURIOUS JAPAN AND EC TAKE THAT ATTITUDE ON OUR QR'S WHEN THEY MAINTAIN TOTAL EMBARGO ON BEEF", ADDING AUSTRALIAN ACTIONS DIFFERED FROM EC, JAPAN MEAT ACTIONS, SINCE THEY TAKEN AGAINST BACKGROUND OF GROWING UNEMPLOYMENT AND ACCOMPANIED BY MEASURES TO STIMULATE DOMESTIC DEMAND. AUSTRALIA SAID VEHICLE IMPORTS BEING ALLOWED TO SUPPLY 20 PERCENT OF DOMESTIC MARKET AND WISHED AUSTRALIA COULD BE SAME TREATMENT ON MEAT IN EC AND JAPAN.

13. AUSTRALIAN T.Q. ON TEXTILES. SPETEL.

14. GREEK IMPORT RESTRICTIONS ON MEAT. AUSTRALIA (OTHER BUSINESS) NOTED GREECE HAD IMPOSED IMPORT RESTRICTIONS ON MEAT IN PAST TEN DAYS AND ASKED THAT DETAILS BE NOTIFIED TO GATT. CHAIRMAN SAID REQUEST WOULD BE COMMUNICATED TO GREEK DEL (NOT PROSENT AT METING).

15. AUSTRALIAN ART. 19 ACTION ON SHOES. EC (OTHER BUSINESS) TOLD COUNCIL THEY HAD REQUEESTED AUSTRALIA LIMITED OFFICIAL USE

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AGREE TO EXTENSION OF 90-DAY PERIOD SET OUT IN ART. 19:3(A), BUT WITHOUT RESULT. EC SAID THIS WAS ONLY FOR INFORMATION OF COUNCIL BUT ASKED WHETHER OTHER CP'S FELT JOINT AGREEMENT WAS REQUIRED TO EXTEND PERIOD. CANADA SAID MUTUAL AGREEMENT WAS REQUIRED, JAPAN SAID THEY NEVER EXPERIENCED DIFFICULTY REACHING AGREEMENT ON SUCH MATTERS. EC SAID THERE SEEMED BE NO OBJECTION TO EXTENDING FOR ANOTHER 60 DAYS. (NOTE: WE UNDERSTAND THIS IS ALSO HOW EC FLET MATTER TRANSPIRED. HOWEVER, SECRETARIAT AND AUSTRALIANS HAVE SOME DOUBT AS TO HOW THINGS WERE ACTUALLY LEFT. IF ANY CHANGES OCCUR, WE WILL REPORT.)

16. ACTION REQUIRED: US QUESTIONS ON 3 FINDLAND AGREEMENTS (PARA 8 ABOVE) DUE BY MARCH 20. RESPONSE TO GENEVA 0670 FOR FEBRUARY 7 RESUMED DISCUSSION OF CONSULTATIVE GROUP ON MEAT.DALE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TARIFF LAW, REGIONAL ORGANIZATIONS, COMMITTEE MEETINGS, DEVALUATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 05 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975GENEVA00713
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750042-0812
From: GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750271/aaaaculum.tel
Line Count: 219
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 23185
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 21 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 APR 2003 by KelleyW0>; APPROVED <19 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GATT COUNCIL FEBRUARY 3
TAGS: ETRD, GATT
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006